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June 5, 2001

### APPLICATION

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### VIA FIRST CLASS MAIL

Honorable Phillip N. Asprodites  
Commissioner of Conservation  
Louisiana Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

RE: Application For Revision of Authority to Commingle  
Onshore Production per Well Test;  
Good Hope Commingling Facility No. 1  
Good Hope Field; St. Charles Parish, Louisiana  
Applicant: The Meridian Resource & Exploration Company, LLC

Dear Commissioner Asprodites:

Application is hereby made on behalf of The Meridian Resource & Exploration Company, LLC, ("Meridian"), requesting that the captioned matter be set for public hearing, and upon presentation of sufficient evidence thereat, that an Order issue approving a revision of the authority for the commingling of onshore gas and gas condensate production from the Good Hope Field, as situated within the captioned parish, in the existing Good Hope Commingling Facility No. 1, formerly operated by Shell Oil Company when first authorized in 1967. By this Application, Meridian proposes to continue commingling production in the facility using well testing to accomplish fair allocation among those parties, adding thereto additional production from a recently formed voluntary declared unit ("VUA"), a plat of which is attached hereto, and to be produced into the facility from the Meridian VUA R&RT No. 52 Well. By this Application, Meridian proposes to continue commingling in the facility using well testing to accomplish fair allocation among those parties, and as per Statewide Order 29-D-1, LAC 43:XIX.1505(2)(b)(ii), requests a public hearing as required under La. R.S. 30:6.

Unless otherwise indicated as involving lease production or salt water disposal, this Application is made pursuant and subject to certain Unitization Orders which have been duly entered to equitably allocate production among the interested parties hereto, as listed in attached Exhibit "A", from one or more of the wells referenced on said Exhibit producing from defined sands recognized by the Louisiana Office of Conservation in the Good Hope Field, as situated in the captioned parish, and all as operated by Meridian, and commingled pursuant to authority granted by prior orders as indicated on same said Exhibit, and in specific detail as follows:

1. Order 29-D-1, entered March 8, 1967, authorized commingling of production in the Good Hope Commingling Facility by Shell Oil Company from River & Rails Terminals Lease and River & Rails Terminals, et al., Unit 1 No. 28 in the Good Hope Field, St. Charles Parish, Louisiana.
2. Order 29-D-2, entered February 22, 1973, authorized commingling of production in the Good Hope Commingling Facility by Shell Oil Company from the P RA SU F and the P RA SU H with the previously approved production in the Good Hope Field, St. Charles Parish, Louisiana.
3. Order 29-D-3, entered May 4, 1973, authorized commingling of production in the Good Hope Commingling Facility by Shell Oil Company from the V (Y) RA SUA with the previously approved production in the Good Hope Field, St. Charles Parish, Louisiana.
4. Order 107-5, entered July 1, 1985, authorized commingling of production in the Good Hope Commingling Facility No. 1 by Shell Western E& P Inc. from the GH P RA SU, the GH Y RB SU, the GH S RA SU, V (Y) RA SUA, and the R& RT and the GATX in the Good Hope Field, St. Charles Parish, Louisiana.

Additionally, enclosed herewith are the following:

1. A detailed narrative explanation of the flow of natural gas, liquid hydrocarbons, and produced water through the subject facility; the procedures for testing and measurement of the volumes of gaseous and liquid hydrocarbons from each well flowing into the facility via periodic well tests; the metering of total gaseous and liquid hydrocarbons, and produced water processed through the facility; the frequency of inspections and/or calibration of the metering devices to be used to measure natural gas, liquid hydrocarbon, and produced water volumes for equitable allocation; and, the formulas to be utilized to calculate equitable allocation of natural gas and liquid hydrocarbons, and water volumes therefrom;
2. A detailed schematic flow diagram of the mechanical facilities to be used for commingling, including specific well test equipment and meter locations to be used for allocation purposes;

3. A list of Interested Parties in the voluntary unit for which commingling authority is being sought herein; and
4. Our firm check in the amount of \$700.00 representing the required filing fee for this application to request a public hearing.

Meridian, as the current owner and operator of the facilities included in the Good Hope Commingling Facility in the Good Hope Field, makes this application proposing to accomplish commingling and allocation by well test of onshore production in the manner set forth in the narrative explanation attached hereto, and with reference and as shown on the detailed schematic flow diagram of the proposed commingling facility attached hereto.

Therefore, Meridian requests that notice of the filing of this application be published in the official journal of the State of Louisiana. Further, Meridian requests that a copy of said notice be forwarded to Meridian through counsel for mailing to all parties on the Interested Parties list, to be proved by an affidavit of mailing submitted to the Office of Conservation. Upon such due notice, Meridian requests that this matter be set for public hearing pursuant to La. R.S. 30:6 for consideration by the Commissioner of this application for the issuance of an Order approving the commingling of produced natural gas and liquid hydrocarbons from the VUA with production from the leases, units, and sands, as the case may be, as set out on attached Exhibit "A" and tested per well test and metered for total volume for commingling and equitable allocation as proposed.

Pursuant to the duly signed statement attached hereto, it is the opinion of Meridian that the commingling of natural gas and liquid hydrocarbons and the use of well test for allocation of production in the manner proposed herein will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest therein the opportunity to recover his just and equitable share of production or revenues accruing from the units and wells under consideration.

A reasonable effort was made to ascertain the names and addresses of all Interested Parties. A copy of this amended application has been mailed to the District Manager of the Lafayette District, Office of Conservation. Upon receipt of the Legal Notice, the Applicant will mail a copy of same to all Interested Parties in accordance with Statewide Order 29-D-1, and forward to you the required affidavit of mailing.

Very truly yours,



BRENT G. SONNIER

Attorney for THE MERIDIAN RESOURCE & EXPLORATION COMPANY, LLC

BGS

Honorable Phillip N. Asprodites

June 5, 2001

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Enclosures

cc: Mr. Richard Hudson, District Manager,  
Louisiana Office of Conservation, Lafayette District

Mr. John Otto, The Meridian Resource & Exploration Company, LLC

All Interested Parties

GOOD HOPE  
COMMINGLING FACILITY

